GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:56
ANSWERED ON:18.02.2009
BAILOUT STIMULUS PACKAGE
Manoj Dr. K.S.;Reddy Shri K. Jayasurya Prakash

Will the Minister of FINANCE be pleased to state:

(a) the sector-wise details of the Bailout/Stimulus packages announced by the Union Government in view of the current economic crisis;

(b) whether complaints have been received by the Government from various sectors in this regard;

(c) if so, the details thereof, sector-wise; and

(d) the steps taken/being taken by the Government thereon?

Answer

FINANCE MINISTER(SHRI PRANAB MUKHERJEE)

(a) to (d): A Statement is placed on the Table of the House.

Statement referred to in reply to Lok Sabha Starred Question No.56 by Dr. K.S. Manoj and SHRI K.J.S.P. Reddy for answer on February 18, 2009 regarding BAILOUT/STIMULUS PACKAGE.

(a) to (d): To minimize the impact of global economic crisis on the Indian economy,two packages of measures were announced by the Government on December 7,2008 and January 2,2009 essentially to boost demand from a macro economy wide perspective and also to focus on sectors of the economy that may be affected by the downturn.The measures announced span the entire spectrum of sectors of the economy. An additional plan expenditure upto Rs.20,000 crore covering critical rural, infrastructure and social security schemes such as Pradhan Mantri Gram Sadak Yojana (PMGSY), Jawaharlal Nehru National Urban Renewal Mission (JNNURM),National Rural Employment Guarantee Scheme (NREGS),Indira Awas Yojana, Accelerated Irrigation Benefit Programme and National Social Assistance Programme (NSAP) was included in the package.In addition,tax measures announced,inter alia,include:an across the board cut in CENVAT by 4 percentage points benefitting all sectors; specific measures on customs duties on sectors such as steel and cement through restoration of the levels of protection;service tax concessions and enhancement of drawback rates for exports.The other specific measures taken include:Interest subvention on pre and post shipment credit for labour intensive exports like textiles, leather, gem and jewellery, carpets and handicrafts; refinance facilities respectively of Rs.4000 crore for the National Housing Bank for housing sector and Rs.7,000 crore to the Small Industry Development Bank of India (SIDBI) for Micro,Small and Medium Enterprises (MSME) Sector; authorization to India Infrastructure Finance Company Limited (IIFCL) to raise Rs.10,000 crore through tax free bonds.An Apex Committee headed by the Finance Secretary is looking into the suggestions received by the Industry in this regard on an ongoing basis.